

Attachment I

Physician Oncology: Medicare Drug Margins 2004-2005

Exhibit 3

Physician Oncology, LTD

Medicare Drug Margins, 2004 - 2005

2004 - 2005 Summary

Drug Name	HCPCS Code	2004 Net Cost per Billing Unit	2004 Medicare Reimbursement Amount	2004 Gross Margin (%) ¹	2005 Net Cost per Billing Unit	2005 Medicare Reimbursement Amount	2005 Gross Margin (%) ¹	Change in Gross Margin %
Leucovorin calcium	J0640	\$1.18	\$2.85	58.5%	\$2.09	\$1.21	-72.6%	-131.2%
Darbepoetin alfa (Aranesp)	J0880	\$18.01	\$20.14	10.6%	\$14.24	\$15.31	7.0%	-3.6%
Dexamethasone sodium phosphate	J1100	\$0.06	\$0.10	44.0%	\$0.06	\$0.14	60.1%	16.1%
Diphenhydramine HCl	J1200	\$0.98	\$1.36	27.8%	\$0.99	\$0.55	-80.0%	-107.9%
Dolasetron mesylate (Anzemet)	J1260	\$5.03	\$13.16	61.8%	\$3.98	\$6.11	34.8%	-27.0%
Pamidronate disodium	J2430	\$71.15	\$225.99	68.5%	\$51.98	\$54.48	4.6%	-63.9%
Pegfilgrastim (Neulasta)	J2505	\$2,259.24	\$2,382.13	5.2%	\$1,929.62	\$2,160.23	10.7%	5.5%
Zoledronic acid (Zometa)	J3487	\$189.20	\$184.81	-2.4%	\$187.94	\$188.78	0.4%	2.8%
Normal saline solution	J7050	\$0.89	\$2.11	57.6%	\$0.93	\$0.24	-296.2%	-353.8%
Carboplatin	J9045	\$87.84	\$128.39	31.6%	\$14.44	\$119.20	87.9%	56.3%
Cyclophosphamide	J9070	\$2.11	\$4.87	56.8%	\$1.81	\$1.81	-0.1%	-56.8%
Docetaxel (Taxotere)	J9170	\$278.64	\$286.33	2.7%	\$268.18	\$280.91	4.5%	1.8%
Fluorouracil	J9190	\$1.85	\$1.76	-5.1%	\$1.81	\$1.76	-3.1%	1.9%
Methotrexate sodium	J9260	\$2.11	\$4.04	47.7%	\$2.11	\$2.53	16.4%	-31.3%
Rituximab (RituXan)	J9310	\$430.02	\$416.46	-3.3%	\$437.38	\$433.12	-1.0%	2.3%
Trastuzumab (Herceptin)	J9355	\$50.50	\$49.41	-2.2%	\$52.21	\$50.34	-3.7%	-1.5%
Vinorelbine tartrate	J9390	\$43.17	\$72.38	40.4%	\$34.03	\$58.61	41.9%	1.6%
Fluvestrant (Faslodex)	J9395	\$78.62	\$77.49	-1.5%	\$79.05	\$77.32	-2.2%	-0.8%
Epoetin alfa (Procrit)	Q0136	\$8.61	\$11.04	22.0%	\$11.10	\$9.32	-19.2%	-41.2%

1: Gross Margin (%) equals Reimbursement Amount minus Net Cost per Billing Unit divided by Reimbursement Amount.

2: Excludes losses on refunds for returned Epoetin alfa in 2005

Source: Summary of information from the Explanation of Benefits received by Dr. Linda Haegele's office.

Defendants' Exhibit

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